

State of South Dakota

EIGHTIETH SESSION
LEGISLATIVE ASSEMBLY, 2005

751L0711

SENATE JUDICIARY COMMITTEE ENGROSSED NO.

SB 144 - 02/10/2005

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Senator Knudson and Representative Michels

1 FOR AN ACT ENTITLED, An Act to limit the personal liability of persons in professional
2 corporations and limited liability companies.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. An obligation of a professional corporation or limited liability company formed
5 pursuant to chapter 47-11, 47-11A, 47-11B, 47-11C, 47-11D, 47-11E, 47-12, 47-13, 47-13A,
6 or 47-13B, whether arising in contract, tort, or otherwise, is the obligation of the professional
7 corporation or limited liability company. No shareholder, director, or officer of a professional
8 corporation or member or manger of a limited liability company is personally liable, directly or
9 indirectly, by way of contribution or otherwise, for such an obligation solely by being or so
10 acting as the shareholder, director, or officer of a professional corporation or member or
11 manager of a limited liability company. This limitation of liability does not extend to amounts
12 owed to the State of South Dakota or its political subdivisions for any taxes, or any penalty or
13 interest on such taxes.

14 Section 2. Any professional corporation or limited liability company may amend its articles
15 of incorporation to be consistent with this Act.



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2 Section 3. The code counsel shall codify sections 1 and 2 of this Act in chapters 47-11, 47-
3 11A, 47-11B, 47-11C, 47-11D, 47-11E, 47-12, 47-13, 47-13A, and 47-13B.

4 Section 4. That §§ 47-11A-8, 47-11A-9, 47-11A-10, 47-11A-11, and 47-11A-12 be
5 repealed.

6 Section 5. That §§ 47-11B-17, 47-11B-18, 47-11B-19, 47-11B-20, and 47-11B-21 be
7 repealed.

8 Section 6. That §§ 47-11C-17, 47-11C-18, 47-11C-19, 47-11C-20, and 47-11C-21 be
9 repealed.

10 Section 7. That §§ 47-11D-17, 47-11D-18, 47-11D-19, 47-11D-20, and 47-11D-21 be
11 repealed.

12 Section 8. That §§ 47-11E-8, 47-11E-9, 47-11E-10, 47-11E-11, and 47-11E-12 be repealed.

13 Section 9. That subdivision 47-13A-2(7) be repealed.

14 Section 10. That §§ 47-13B-8, 47-13B-9, 47-13B-10, 47-13B-11, 47-13B-12 be repealed.